

TOP SECRET

DEPARTMENT OF THE NAVY  
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In reply refer to  
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15 September 1958

From: Director of Naval Intelligence  
To : Assistant Director of Central Intelligence

Subj: Reported security violation of CHALICE data by CNO

1. As the result of a verbal request by the ARC Chairman, ONI has investigated a reported CHALICE security violation in the sending of a CNO message to CINCPAC revealing presidential approval of TALENT coverage of Polyarnyj Ural and the Chinese Communist coast.

2. Prior to discussing the reported violation, a brief outline of basic CNO policy may be appropriate, i.e. the keeping of fleet commands informed of certain intelligence matters. Since some fleet commands have such a wide responsibility in forms of broad geographic area and politico-military functions, it is essential that they be given the best possible support by CNO.

3. In keeping with this policy, ONI has on occasion found it necessary to provide specific fleet commands with what might be termed "pre-mission planning data", but always in what might also be termed broad generalizations. In making CNO requirements to ARC, it has been necessary for CNO to be familiar with specific field requirements, as well as overall national intelligence objectives. Thus a combination of policy and the need to establish precise naval requirements has led to the passing of CHALICE material to some of the commands.

4. In addition, operational planning for field exploitation of [ ] material requires CNO/fleet command liaison and since CNO assumed that some type of additional coverage of Communist China would be forthcoming, he had to keep CINCPACFLT and CINCPAC informed. The inclusion of Polyarnyj Ural would at first glance appear to be inexcusable because of its not being of interest to CINCPAC and yet CINCPAC's interests cannot be

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completely restricted by geographic considerations. In the recent Middle East action, for example, CINCPAC had to be briefed continuously on Middle East developments since it was his responsibility to provide additional forces for the area. He in fact actually dispatched fleet elements which later were ordered to return to the Pacific. Even now former SIXTHFLT elements are enroute to the Pacific to operate under CINCPAC. In addition, the recent movement of the NAUTILUS from Pearl Harbor to New London via the North Pole demonstrates the requirement to keep fleet commands aware of adjacent command activities. CINCPACFLT has operational requirements along the northern periphery of the USSR (over and beyond the Northern Sea Route naval movement) which cannot be discussed in further detail. Since Polyarnyj Ural is suspect as an ICBM site which can fire missiles over the North Pole into either CINCLANT, CINCNELM, or CINCPAC areas, the fact that it was slated as a CHALICE target at some future unidentified date does not seem to be completely outside the interests of CINCPAC.

5. Attention is invited to the fact that there is a "gray area" in the problem of establishing precise difference between CHALICE and TALENT as noted in the dispatch from [ ] CNO is not aware of any notice of mission approvals and intent which have been passed to PACAF as reported in the above noted message.

6. In conclusion, the CNO message was passed in an honest but perhaps overzealous spirit. It would appear that the reported security violation is technical in nature with no possible compromise since all the individuals involved were at least TALENT and COMINT cleared. In the past there have been occasions when CNO was requested by CIA to pass "pre-mission planning data" to the fleets in order to suppress U.S. intercept reporting of Soviet radar reaction to CHALICE operations. In the future "pre-mission planning data" will be passed with prior coordination with the Project. It is hoped that the "gray area" which surrounds the use of CHALICE material can be resolved.

V. L. LOWRANCE  
Deputy

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